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remote? Shall we go into a close or a loose partnership? We have got to decide. The most nonchalant American business man knows that this thing must be thought out before we emerge from this war.

A chapter on "Economic Interdependence," almost one-fifth of the book, gives facts about the British Commonwealth and America that are quite generally unknown to the average reader, if not to others more informed. All those who are thinking of the economic stress that is to occur after the war—in America as well as everywhere else—will be grateful to Mr. Beer, as his book is most helpful in its facts and will stimulate to clearer thinking about our future needs.

SINCLAIR KENNEDY

BROOKLINE, MASS.

How Germany Does Business. By DR. PAUL PENSAC GOURVITCH.
New York: B. W. Huebsch, 1917. Pp. 142. \$1.00.

This little book contains twenty-three short chapters dealing with the commercial policies dominant in the foreign trade of modern Germany. It is written with a manifest prejudice against Germany, and hence cannot be taken as an entirely reliable survey of German business methods in foreign trade. However, the book points out rather clearly some particular features of foreign-trade policy which have brought about Germany's phenomenal development. The brief exposition will serve to bring home to American exporters a number of lessons which must be learned if we are to develop our foreign markets.

The fundamental policy on which Germany's export system has been based is the extension of credit, the privilege of purchase on long-time payment. German exporters were quick to see that such a plan, which allows the importer to dispose of at least a portion of the goods before he is compelled to pay for them, is the life-blood of foreign trade. This extension of credit not only increased the volume of orders from importers, but "discovered a new working class of importers"—the small importers, whose number was large in proportion as their orders were small. This ramification of credit formed an excellent shock absorber against financial loss, because it placed less reliance on sporadic units. This extension of credit to the small dealer was, moreover, always backed up by a thorough knowledge of the individual importer, of his needs, and of his financial power—knowledge which was systematized by special agencies and then utilized in the way most conducive to trade expansion. German exporters carried no coals to Newcastle.

A second basic principle in the German foreign trade is summed up in the statement: The public be pleased! German foreign traders discovered new articles to sell—articles unknown at home, but such as pleased the tastes and suited the needs of their foreign customers. No detail was too small, no whim too capricious, to be considered in trade development. They thought more of the other fellow and less of themselves. Thus they reduced the buyer's effort to a minimum and made friends of their customers. They understood, as Mr. Gourvitch points out, that "their prosperity had only one basis, namely, the prosperity of their buyers."

Germany exported not only goods but men—men trained thoroughly in all the principles of international banking and exchange, men whose whole education had been regulated with a view to making them efficient salesmen in the foreign field. The "exported" men were experts in the language of the country to which they went, and were acquainted with its history, geography, and peculiar customs. As managers of branch offices they soon became fixtures in the foreign trade. Their regard for detail captivated the attention of the world; it captivated trade. Catalogues were always printed in the language of the country to which they were sent, advertising material was especially adapted to the people among whom it was spread and was never merely a translation of home copy. Through hours of patient research Germany eliminated waste and supplemented by imitation what was lacking in inventiveness.

But the application of these principles alone would never have developed German foreign trade to the point it had reached in 1914. Many economists will hold that they are even of secondary importance as compared with certain policies treated briefly in the final chapter. No amount of credit extension, of adaptation of export articles to foreign tastes, or of industrial and commercial education would have sufficed without extensive government aid through differential freight rates on government-owned railroads, and through rebates and other special shipping facilities. The cheapness of German goods was in many cases due, not to "manufacturing on a big scale" (p. 56), but to the well-known practice of "dumping," which furnished commodities to foreign fields at cost or even below, while in the home market a protective policy repaired the loss. Dr. Gourvitch also fails to mention the fact that the comparative cheapness of German goods was often due to inferior quality.

This book should be of interest to American exporters. The foresight and business acumen by which Germany developed her foreign trade are worthy of consideration in our efforts to enlarge our own foreign

markets. However much we may disagree with Germany's motives in trade development and with certain of her export practices we acknowledge that she built up a remarkable foreign trade and we may profit by the adoption of many of the principles here briefly set forth. The book is printed on cheap paper and is poorly bound.

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Outlines of Agricultural Economics: A Class-Book of Questions and Problems. By EDWIN G. NOURSE. Chicago: The University of Chicago Press, 1917. Pp. ix+95. \$0.50.

This handbook accompanies *Agricultural Economics* by the same author. It is for use in courses in rural economics in general and in marketing, rural credits, and other special topics. By means of the questions themselves, additional references, and excerpts adapted for use as problems it introduces much material not covered in the companion text. The topics for special papers are designed to suggest adaptation to local conditions as well as organized treatment of general aspects of economic problems raised in the seventeen chapters.

Professor Nourse has given us questions of a truly penetrating type. A number of them are worth the attention of instructors in courses in other phases of economics, even of advanced courses in the general field. The expressions used are markedly fresh and concise.

The problems are well chosen and make the students realize the vital character of the economic situations encountered in business of various kinds. The author stresses the point throughout the book that the business of agriculture is different from that of other lines of enterprise but that many of the bases of differentiation are disappearing under modern development.

In general, this handbook has the "defects of its qualities," to be sure, but it contributes much to the work of the classroom and suggests points of view that are stimulating to devotees of agriculture and of economics alike.

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